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March 1954 19

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MEMORANDUM FOR: ACTING DEPUTY DIRECTOR (ADMINISTRATION)

SUBJECT

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: Use and Disposal of Excess Property

REFERENCE

: Letter from Mr. John B. Hollister, Executive Director, Commission on Organization of the Executive Branch of the Government, dated 11 March 1954.

- 1. Reference letter requests Mr. Dulles to furnish specific information concerning Agency inventories and real property holdings for use by a Commission on Organization Task Force in the review of Use and Disposal of Federal Surplus Property.
- 2. Attached Tab A prepared for DCI's signature informs the Commission that it is inadvisable to furnish this information due to security requirements and further that our activities generate insignificant surpluses. In addition it states that the continuation of present exemptions to certain phases of the utilization and disposal provisions of the Property and Administrative Services Act of 1949, now afforded CIA, is essential to operation.
 - 3. This attitude for reply is based on the following:
- Security: Every activity of the Agency has direct or associated security restrictions. This applies to administrative inventories as well as operational, and to Real Property as well as Personal Property.
- Quantity: In the overall Government holdings of either Real or Personal Property the percentage held by CIA is insignificant and CIA surplus disposal is inconsequential. For example, the Department of the Army has a Two Billion Dollar Surplus which they are endeavoring to dispose of at a rate of One Hundred Million Dollars a month. Hence, their monthly disposal approximates CIA's entire inventory.
- c. The exemptions to the Property and Administrative Service Act of 1949 are essential to the legal conduct of CIA operations. event these exemptions are eliminated, CIA's disposal of U.S. property used in covert operations without consideration of the Act would be most questionable.
- 1. Recommend that Tab "A: be approved and forwarded to DCI for signature and dispatch.

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CONCLETERNOR

TAMES A. GARRISON

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Chief of Logistics

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